

NORTH CAROLINA GOVERNOR'S LOGISTICS TASK FORCE

REGIONAL HUB DESIGN SUBCOMMITTEE REPORT

John Atkins, Chair

August 23, 2011

INTRODUCTION

In an effort to understand the needs related to the development of potential inland regional logistics hub locations, the Logistics Task Force leadership chose to form a subcommittee specifically focused on such issues. Over its existence, the Regional Hub Design subcommittee has examined the characteristics of such portals, as well as existing locations across the state which may be well suited for such development. The subcommittee was also the primary reviewer and conduit for information regarding the Task Force's "Seven Portals Study", which was developed through a contract executed by NCDOT with North Carolina State University and a consortium of other UNC-system institutions.

Following the Task Force's regional outreach efforts the subcommittee was tasked with further review of the Seven Portals Study work product, as well as developing recommendations based on the work presented. The areas that the subcommittee was tasked with examining are listed below.

- Review of the DRAFT Seven Portals Study
- Development of recommendations to the full Task Force related to the Seven Portals Study

Amended Recommendations to the Task Force

This subcommittee's primary charge was to oversee and guide the work of the Seven Portals Study. The subcommittee met 12 times since its creation. Dr. George List and the Study research team made regular reports at subcommittee meetings, with members reviewing their work, asking questions, and providing feedback. The subcommittee Chairman and staff attended work sessions with the full multi-university Study team. In addition to hearing reports from Dr. List and the Study team, the subcommittee heard reports from outside speakers on subjects such as inland ports, Foreign Trade Zones, rail intermodal operations, and a military vehicle "re-set" project.

The subcommittee interacted closely with the Seven Portals Study research team, providing guidance and feedback. There were numerous directives from the subcommittee, and the Study team made corresponding revisions as a result. That guidance and the resulting recommendations served as the primary work product of the subcommittee.

Having fulfilled its charge regarding the Seven Portals Study, the members of the Regional Hub Design Subcommittee respectfully submits the following list of additional recommendations to the full Governor's Logistics Task Force.

Statewide Intrastate Connectivity

Primary consideration should be given to connectivity between ports (global gateways) and major NC economic hubs, i.e. Wilmington, Charlotte, Research Triangle Park-Raleigh Durham Region, Piedmont Triad Region, Goldsboro/Kinston/Global TransPark, Asheville, and Morehead City. Military Installations include Fort Bragg and Camp Lejeune.

I-95 and I-85 bisect NC north/south providing access beyond North Carolina's borders. These two highways are the primary connectors for the major NC economic hubs, and directly serve a significant number of retail distribution and manufacturing enterprises along their routes. I-77 and I-40 are also critical corridors.

Population growth and changing socio-economic demographics will significantly increase market demand for consumer goods and a range of personal services, i.e. health, cultural, financial, and transportation, primarily in the areas surrounding the major economic hubs. Market demand for consumer goods can be translated to increased imports and movement of freight, primarily by truck transport in North Carolina.

Recommendations

- Highway 70 upgrade (Havelock Bypass, Goldsboro Bypass, Kinston Bypass, Gallants Channel Bridge, North Carteret Bypass)

- I-74 upgrade from Wilmington to Charlotte
 - Upgrade all of US 74/76 to interstate standard
 - Completion of the Monroe Bypass
 - Reroute I-74 design (from the Green Swamp route) to connect to the I-140 bypass
 - US 74/76 short-term improvements (right of way/access management/grade separations)
- Maintenance and expansion of I-85 and I-95 to accommodate population growth and movement of freight within and outside of North Carolina.
- Beltways must be developed and/or expanded to provide bypass and effective traffic flow on major interstate highways
- Complete Wilmington Bypass (I-140) and the Cape Fear Skyway Bridge
- A source of funding, i.e. tolls or tax, must be identified and enacted to support highway infrastructure requirements
- Designation of I-20 along I-95 and US 74/76 to Wilmington (from Florence, SC)
- Highway access to major military installations must be maintained and/or expanded as required
 - Highway 87 Wilmington to Fayetteville/Ft. Bragg
 - Highway 17 Wilmington to Camp Lejeune
 - Highway 24 Camp Lejeune to Port of Morehead City

Agriculture

North Carolina is a major producer and exporter of agricultural products. There is an opportunity to develop a logistics network that can provide a more cost effective means to access global markets utilizing NC infrastructure that includes highway, rail, inland facilities and state ports. The State's agriculture industry is wide-spread over each of the State's economic regions. The sale of agricultural products is often handled by brokers who purchase product nationwide and control routing of cargo, i.e. economies of scale. The perception is that more information and knowledge of the various products and the requirements to accommodate those products in a cost effective manner is necessary.

Recommendation

The Logistics Coordinating Council should create a work group to undertake the study of agricultural products to determine the requirements to handle these products in a cost effective

manner, how products move today and why, and what action would be required to offer a competitive service utilizing North Carolina's ports.

Military

The importance of North Carolina Military installations is well-established. A key concern is that the State must safeguard the required land resources necessary for our military to achieve their mission.

Recommendations

- Fund and support the Eastern Region Military Growth Task Force's Defense Logistics Initiative to secure military maintenance and repair facilities with equipment/vehicles moving over North Carolina's ports.
- Both Agriculture and the Military are crucial components of North Carolina's economy, and their continued vitality and growth should be protected from encroachment through forward thinking land use planning.

Rail Infrastructure

Recommendations

- Fund and complete the Pembroke Northern Bypass rail connecting track, which would allow efficient and timely rail access between Ft. Bragg and the Port of Wilmington, and provide a direct connection between Ft. Bragg and MOTSU.
- Complete the CSX-Ft. Bragg Connector to allow Ft. Bragg movement within Fayetteville that will make the Port of Wilmington a more attractive destination than competitors.
- Complete the Castle Hayne to Wallace rail corridor to allow freight and passenger trains to travel directly from Goldsboro to Wilmington.
- Secure competitive double stack service between Port of Wilmington and Charlotte, which is critical to the continued growth in liner services, market share, and the Port's ability to compete with neighboring South Atlantic ports.

Port Infrastructure

The subcommittee recognizes that the NC Maritime Strategy Study is currently in progress investigating ports-related issues and supporting the work of the Task Force. With respect to that discussion, the subcommittee offers the following comments and recommendations:

It is critical to maintain the terminal and waterside port infrastructure at the two major ports in North Carolina. Maintenance of adequate on-terminal roads, rail, buildings, berths and dock structures in addition to maintaining adequate waterside access to the terminals is essential. The Wilmington Harbor Improvement project is a waterside project of major importance in order for NC Ports to continue providing container vessel access to the Port of Wilmington. In addition, the on-terminal project to restore one container berth at the Port of Wilmington and the on-terminal security improvements at the Port of Morehead City and Radio Island are crucial to the ability to serve North Carolina port customers.

Recommendations

- North Carolina should determine a source of funding similar to what other competing South Atlantic ports receive to fund development and maintenance of port infrastructure.
- Expedite funding and completion of the USACE Wilmington Harbor Project to provide port access to 6500 TEU vessels. Project is currently in the feasibility study stage, with both Federal and State funding required.
- The subcommittee is concerned about the long-term economic impact on global competitiveness brought by the lack of a deepwater port in North Carolina, and encourages support of deepwater port development.

Aviation/Aeronautics

The Aviation and Aeronautics industry is developing into a major component of North Carolina's economy, with growing air freight service, aerospace manufacturing, and air passenger service (including tourism) throughout the State. North Carolina should do all it can to grow and support Aviation and Aeronautics activities.